GOVERNMENT OF INDIA
POWER
LOK SABHA

UNSTARRED QUESTION NO:7620
ANSWERED ON:15.05.2000
POWER GRID CORPORATION TO ENTER INTO TELECOM SECTOR
AJAY SINGH CHAUTALA;UMMAREDDY VENKATESWARLU

Will the Minister of POWER be pleased to state:

(a) whether attention of the Government has been drawn to the news-item captioned `Power Grid to enter telecom business` appearing in the Times of India dated April 8, 2000;

(b) if so, the facts of the matter reported therein; and

(c) the extent to which it is likely to help financially the Power Grid Corporation of India?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF POWER

(SHRIMATI JAYAWANTI MEHTA)

(a) : Yes, Sir.

(b) & (c) : Opening of long distance telecommunication sector by Government and successful experience of power utilities world wide in the telecommunication sector have paved the way for POWERGRID to enter into telecommunication business. The power transmission lines owned by POWERGRID provide excellent connectivity throughout the country, which would enable setting up an optic fibre network on all India basis for broadband communication.

In view of the complexities involved, POWERGRID had appointed reputed consultants to advise in its diversification plan. After detailed analysis of the scenario in telecommunication sector, the consultants have observed that POWERGRID`s venture into telecom business is a viable proposition.

Based on the report of the consultants, POWERGRID is contemplating to build and provide infrastructure to the National Long Distance (NLD) business and also take an equity stake in the NLD business. The NLD operator would provide switched long distance wires and data services. The preliminary estimate of the network for the NLD Operations by POWERGRID calls for installation of about 42000 km of optical fibre cable at an estimated capital expenditure of more than Rs. 5,000 crores. POWERGRID is planning to install around 14,000 kms of optical fibre cable connecting 35 major cities. This will require an estimated outlay of about Rs. 1,300 crores. POWERGRID has issued a global invitation for selection of Joint Venture Partner to facilitate establishment of the NLD Operations and have applied for NLD license from Department of Telecommunications.